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Secretariat

5 April 2012

Information circular*

To: Members of the staff at Headquarters

From: The Assistant Secretary-General for Human Resources Management

Subject: **United States income tax requirements as they relate to employment authorizations for dependent family members**

1. The purpose of the present circular is to inform staff members who hold G-4 visas of a diplomatic note received from the Mission of the United States of America to the United Nations outlining United States income tax requirements as they relate to employment authorizations for dependent family members.

2. Under bilateral work agreements, de facto work arrangements or regulations of the United States Citizenship and Immigration Services, and to the extent consistent with other applicable international agreements, locally employed eligible dependent family members are responsible for the payment of federal, state, local or municipal taxes on income received as a result of their employment in the United States.

3. The United States Mission cites the Internal Revenue Service (IRS) publication 519, *U.S. Tax Guide for Aliens* as a source which outlines the rules and procedures associated with the federal income tax filing requirements for aliens living in the United States.

4. As individuals considered by the IRS to be "*nonresident aliens*" for tax purposes, they are authorized to use either Form 1040NR "*U.S. Nonresident Alien Income Tax Return*" or Form 1040NR-EZ "*U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents*" for the filing of their federal income tax returns with the IRS. These individuals must provide copies of such filed forms to the United States Mission to the United Nations in order to obtain renewal of their employment authorizations. In addition, the United States Mission advises the United Nations that non-resident aliens are not eligible to claim anyone as a dependent for federal income tax purposes unless they are nationals of Canada, Mexico or the Republic of Korea. The United States Government further indicates that failure to provide proof of filing of the correct IRS forms will result in the denial of an employment authorization renewal.

* The present circular will be in effect until further notice.

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5. Staff members who wish further information on this subject are encouraged to visit a local IRS office or to call 1-800-829-1040.

6. The text of the diplomatic note from the United States Mission to the United Nations is set out in the annex to the present circular.

7. The provisions of the present circular shall enter into effect on 23 March 2012, the date of the diplomatic note.

Annex

Diplomatic note dated 23 March 2012 from the Mission of the United States of America to the United Nations addressed to Permanent Missions and Observer Offices to the United Nations

The United States Mission to the United Nations presents its compliments to the Permanent Missions and Observer Offices to the United Nations and has the honor to present a notice outlining U.S. income tax requirements as they relate to dependent family member employment authorizations.

Eligible dependent family members of certain foreign government and international organization employees assigned to duty in the United States are authorized to work in the United States. This benefit is made available to eligible dependent family members in accordance with the terms and conditions established under bilateral work agreements, de facto work arrangements or regulations of the United States Citizenship and Immigration Services. To the extent consistent with other applicable international agreements, locally employed eligible dependent family members are responsible for the payment of federal, state, local or municipal taxes imposed on income received as a result of their employment in the United States.

The Internal Revenue Service's publication 519, *U.S. Tax Guide for Aliens* outlines the rules and procedures associated with the federal income tax filing requirements of foreign aliens in the United States. For tax purposes, the IRS classifies a foreign alien as either a "*nonresident alien*" or a "*resident alien*".

Individuals whose entry into the United States was authorized pursuant to the presentation of an "A" or "G" series visa are considered by the Internal Revenue Service to be "*nonresident aliens*" for tax purposes, and as a result are authorized to use **ONLY** either form 1040NR "*U.S. Nonresident Alien Income Tax Return*" or form 1040NR-EZ "*U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents*" for filing their federal income tax return. In addition, nonresidents are not eligible to claim anyone as a dependent for federal income tax purposes, unless such nonresidents are nationals of Canada, Mexico or the Republic of Korea.

Thus, locally employed eligible dependent family members must annually file with the IRS either Form 1040NR or Form 1040NR-EZ, and provide the United States Mission to the United Nations with copies of such filed forms in order to obtain a renewal of their employment authorizations. An employed dependent's failure to provide proof of filing of the correct IRS Forms will result in the denial of an employment authorization renewal.

Questions concerning most matters associated with the federal income tax requirements of such dependent should be referred to the IRS either by telephone, at 1-800-829-1040, or by visiting a local IRS office.

Questions concerning the specific rules and procedures associated with the filing of state, local or municipal income tax returns should be directed to the tax authority responsible for the imposition of such requirements.

Resources:

- 2011 Publication 519, *U.S. Tax Guide for Aliens*
  (www.irs.gov/pub/irs-pdf/p519.pdf)
- 2011 Form 1040NR *U.S. Nonresident Alien Income Tax Return*
  (www.irs.gov/pub/irs-pdf/f1040nr.pdf)
- 2011 Instructions for Form 1040NR
  (www.irs.gov/pub/irs-pdf/i1040nr.pdf)
- 2011 Form 1040NR-EZ *U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents*
  (http://www.irs.gov/pub/irs-pdf/f1040nre.pdf)
- 2011 Instructions for Form 1040NR-EZ
  (www.irs.gov/pub/irs-pdf/i1040nre.pdf)
- Locator tool for IRS local offices
  (www.irs.gov/localcontacts/index.html)

The United States Mission to the United Nations avails itself of this opportunity to renew to the Permanent Missions and Observer Offices to the United Nations the assurances of its highest consideration.